



GARY R. HERBERT  
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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 8, 2015

CERTIFIED RETURN RECEIPT  
7013 3020 0002 3659 5682

Michael Provstgaard  
8080 West 5950 South  
Palmyra, Utah 84660

Subject: Review of Reclamation Surety, Michael Provstgaard, Lost Sheep Mine, S/023/0029, Juab County, Utah

Dear Mr. Provstgaard:

The last surety estimate for the Lost Sheep Mine was done in 2012 and escalated to 2015 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$11,400.00 to \$14,400.00 (three-year escalation) or \$14,700.00 (five-year escalation). The average reclamation costs are outlined below:

<b>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</b>			
<b>(Operation Name) S/023/0029</b>			
<b>3-year escalation (2018)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	1	\$5,000.00	\$5,000.00
Portal Closure	0	\$2,000.00	\$0.00
Shaft Closure	0	\$3,000.00	\$0.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
<b>TOTAL</b>			<b>\$14,400.00</b>
<b>5-year escalation (2020)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	1	\$5,100.00	\$5,100.00
Portal Closure	0	\$2,000.00	\$0.00
Shaft Closure	0	\$3,000.00	\$0.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
<b>TOTAL</b>			<b>\$14,700.00</b>



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Michael Provstgaard  
S/023/0029  
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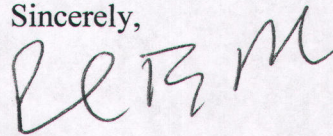
Please contact the minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at [pennyberry@utah.gov](mailto:pennyberry@utah.gov) for information about submitting the additional surety. Your current surety is in the form of a certificate of deposit. You may increase the amount in the certificate of deposit, or you may submit a new certificate of deposit, a letter of credit, a surety bond, or cash for either the increased or the full amount.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801 538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

**Please provide the additional surety or perform the reclamation no later than September 11, 2015.**

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 if you have any questions concerning this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PBB' followed by a stylized 'M'.

Paul B. Baker  
Mining Program Manager

PBB:whw:pb  
cc: [jmccarth@blm.gov](mailto:jmccarth@blm.gov)  
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